

MANUFACTURING CONTRACT

This contract is entered into effective _____, 2003 by and between
National Wastewater Systems, Inc. ("NWSI") and _____
("Manufacturer").

The parties agree as follows:

1. The term of this contract shall be for 5 years. It shall end earlier, and this Contract shall be automatically dissolved at the sole option of NWSI, if Manufacturer is no longer fulfilling its obligations under this contract.

2. Manufacturers exclusive territory shall be as shown on Exhibit A attached hereto.

3. **NWSI:**

(i) grants Manufacturer the exclusive territory as shown on Exhibit A in which to install the products and systems (the "Products") listed on Exhibit B.

(ii) will sell to Manufacturer the Products listed on Exhibit B for the price listed thereon as that list may be modified by NWSI from time to time (the "Price List"). Manufacturer shall also pay all applicable taxes.

(iii) will warranty the Products listed on the Price List as required by law.

(iv) defend and indemnify Manufacturer against all damages, liability, claims, losses and expenses (including attorney's fees) arising out of, or resulting from any negligent act or omission of NWSI, its agents or employees.

4. **NWSI will not:**

(i) construct or install the Products listed on the Price List in Manufacturer's exclusive territory.

(ii) license another manufacturer in Manufacturer's exclusive territory.

5. **Manufacturer:**

(i) will use its best efforts to construct, sell, test, install, service, and promote the Products listed on the Price List.

(ii) will comply with all applicable laws, regulations, and ordinances including the NSF Standard Rules and Regulations, as amended from time to time.

(iii) will obtain and maintain all licenses and permits necessary to perform the services required by this contract.

(iv) will warranty the Products listed on the Price List as required by law and provide to all customers the limited warranty attached hereto as Exhibit C.

(v) will supply, at its expense, all services, supervision, labor, equipment, tools, testing, testing devices, engineering, supplies,

warehousing, utilities, transportation necessary to comply with this contract.

(vi) will pay NWSI for the Products within 30 days of delivery.

(vii) will install all Products so that the Products are identified as having been manufactured by NWSI.

(viii) will exercise reasonable care and diligence to prevent any actions or conditions which could result in a conflict with the interests of NWSI.

(ix) will defend and indemnify NWSI against all damages, liability, claims, losses and expenses (including attorney's fees) arising out of or resulting in any way from any negligent act or omission of manufacturer, its agents, employees or subcontractors.

6. Manufacturer will not:

(i) make any changes, alterations or modifications to the products listed on the Price List without the written permission of NWSI. By way of illustration and not limitation, Manufacturer will not convert or modify any Product listed on the Price List by use of products not manufactured or approved by NWSI.

(ii) substitute similar products for the products listed on the Price List without written permission of NWSI.

(iii) utilize any subcontractor, materialman, vendor or supplier without the written permission of NWSI.

(iv) assign this Contract without the written permission of NWSI.

(v) disclose or allow the disclosure of any drawings, diagrams or the Price List.

(vi) distribute, manufacture, construct any system other than those licensed by NWSI unless NWSI cannot, after written request, supply the necessary equipment to Manufacturer.

(vii) enter into an agreement with other NWSI manufacturers.

7. **Arbitration.** Any and all claims, disputes or disagreements between the parties must be arbitrated in Lake Charles, Louisiana, in accordance with the expedited Commercial Rules of the American Arbitration Association. The arbitration may award attorney's fees to the successful party.

8. **No Partnership.** Nothing in this agreement shall be construed as establishing a partnership, company, agency, joint venture, contractor/subcontractor, or employer/employee relationship.

9. **Entirety of Agreement.** This contract contains the entire agreement between NWSI and Manufacturer. There are no other promises, agreement, or warranties affecting it. All previous contracts, proposals, and communications relating to the product of the work, oral or written, are hereby superseded except to the extent that they have been expressly incorporated into this contract.

10. The authorship of this contract shall not be considered in its interpretation.

11. After termination or dissolution of this contract, Manufacturer will continue to abide by Sections 5(iv), 5(vi), 5(ix), 6(i), 6(ii), (6v) and 7.

12. This Agreement is governed by Louisiana law.

Manufacturer

STATE OF _____

COUNTY OF _____

THUS DONE AND SIGNED, at _____, ____ (state), on the
_____ day of _____, 2003, in the presence of the two undersigned
competent witnesses, who hereunto sign their names with said appearers and
me, notary, after a due reading of the whole.

WITNESSES:

NOTARY PUBLIC

My commission expires on: _____
Seal: _____

National Wastewater Systems, Inc.

STATE OF _____

COUNTY OF _____

THUS DONE AND SIGNED, at _____, (state), on the
____ day of _____, 2003, in the presence of the two undersigned
competent witnesses, who hereunto sign their names with said appearers and
me, notary, after a due reading of the whole.

WITNESSES:

NOTARY PUBLIC

My commission expires on: _____
Seal:

EXHIBIT 2
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EXHIBIT A
TERRITORIAL MAP

EXHIBIT B

PRODUCT	PRODUCT	PRICE*
<i>Solar Air Kit</i>	SA – 500	650.00 + Shipping
Total		

EXHIBIT C

LIMITED WARRANTY

Manufacturer warrants the parts in each treatment process/system to be free from defects in material and workmanship for a period of two years from the date of installation treating residential wastewater. Some states do not allow limitations on how long an implied warranty lasts, so the above limitation may not apply. Sole obligation under this warranty is as follows: Manufacturer shall fulfill this warranty by repairing or exchanging any component part, F.O.B. factory, that in Manufacturer's judgment shows evidence of defects, provided said component part has been paid for and is returned through an authorized dealer, transportation prepaid. The warranty must also specify the nature of the defect to the manufacturer.

The warranty does not cover treatment processes/systems that have been flooded, by external means, or that have been disassembled by unauthorized persons, improperly installed, subjected to external damage or damage due to altered or improper wiring or overload protection.

This warranty applies only to the treatment process/system and does not include any of the residential wiring, plumbing, drainage, or disposal system. Manufacturer is not responsible for any delay or damages caused by defective components or material, or because of interruption of service, or for any other special or consequential damages or incidental expenses arising from the manufacture, sale, or use of this process/system.

Manufacturer reserves the right to revise, change or modify the construction and design of the treatment process/system for residential wastewater or any component part or parts thereof without incurring any obligation to make such changes for modifications in previously sold equipment. Manufacturer also reserves the right, in making replacements of component parts under this warranty, to furnish a component part which, in its judgment, is equivalent to the company part replaced.

Under no circumstances will Manufacturer be responsible to the warrantee for any other direct or consequential damages, including but not limited to lost profits, lost income, labor charges, delays in production, and/or idle production, which result from defects in material and/or workmanship of the system. Some states do not allow the exclusion or limitation of incidental or consequential damages, so the above limitation or exclusion may not apply to you.

This warranty is expressly in lieu of any other expressed or implied warranty, excluding any warranty of merchantability or fitness, and of any other obligation on the part of Manufacturer.

This warranty gives you specific legal rights. You may also have other rights which vary from state to state.

